

# **NEWS RELEASE**



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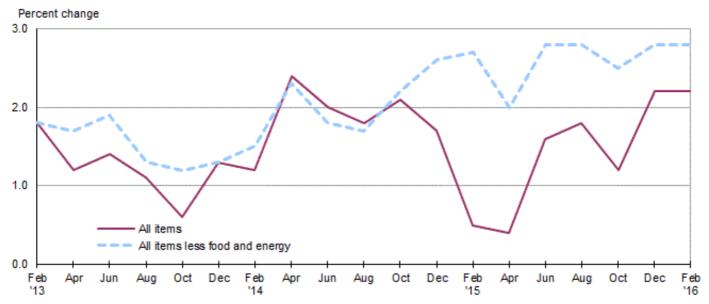
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# Consumer Price Index, Seattle area — February 2016 Area prices were up 0.2 percent over the past two months, up 2.2 percent from a year ago

Prices in the Seattle Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.2 percent for the two months ending in February 2016, the U.S. Bureau of Labor Statistics reported today. (See <u>table A</u>.) Regional Commissioner Richard J. Holden noted that the February increase was influenced by higher prices for shelter. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 2.2 percent. (See <u>chart 1</u> and <u>table A</u>.) Energy prices decreased 3.1 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy increased 2.8 percent over the year. (See <u>table 1</u>.)

Chart 1. Over-the-year percent change in CPI-U, Seattle, February 2013-February 2016



Source: U.S. Bureau of Labor Statistics.

#### **Food**

Food prices decreased 0.5 percent for the two months ending in February. (See <u>table 1</u>.) Prices for food at home declined 1.4 percent, but prices for food away from home rose 0.5 percent for the same period.

Over the year, food prices increased 0.8 percent. Prices for food away from home rose 2.9 percent since a year ago, but prices for food at home decreased 0.9 percent.

### **Energy**

The energy index decreased 6.5 percent for the two months ending in February. The decrease was mainly due to falling prices for gasoline (-14.1 percent). Prices for natural gas service were unchanged, while prices for electricity increased 1.4 percent for the same period.

Energy prices decreased 3.1 percent over the year, largely due to lower prices for gasoline (-9.5 percent). Prices paid for natural gas service fell 13.2 percent, but electricity prices advanced 7.7 percent during the past year.

## All items less food and energy

The index for all items less food and energy increased 0.8 percent in the latest two-month period. Higher prices for medical care (1.9 percent) and shelter (1.1 percent) were partially offset by lower prices for other goods and services (-0.8 percent) and apparel (-0.3 percent).

Over the year, the index for all items less food and energy increased 2.8 percent. Components contributing to the increase included shelter (5.6 percent) and medical care (1.6 percent). Partly offsetting the increases were price declines in household furnishings and operations (-2.7 percent) and other goods and services (-1.3 percent).

Table A. Seattle-Tacoma-Bremerton CPI-U bi-monthly and annual percent changes (not seasonally adjusted)

	2011		2012		2013		2014		2015		2016	
	Bi-		Bi-		Bi-		Bi-		Bi-		Bi-	
Month	monthly	Annual										
February	1.2	1.5	0.4	2.7	0.8	1.8	0.7	1.2	0.2	1.1	0.2	2.2
April	0.8	2.1	0.9	2.9	0.4	1.2	1.6	2.4	0.9	0.4		
June	0.8	3.2	0.7	2.7	0.8	1.4	0.4	2.0	1.6	1.6		
August	0.2	2.7	0.3	2.7	0.0	1.1	-0.2	1.8	0.0	1.8		
October	0.9	3.8	0.5	2.3	0.0	0.6	0.3	2.1	-0.3	1.2		
December	-0.5	3.5	-1.4	1.4	-0.7	1.3	-1.1	1.7	-0.2	2.2		

The April 2016 Consumer Price Index for the Seattle-Tacoma-Bremerton is scheduled to be released on, May 17 2016.

#### **Technical Note**

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at <a href="www.bls.gov/cpi">www.bls.gov/cpi</a> and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at <a href="www.bls.gov/opub/hom/homch17">www.bls.gov/opub/hom/homch17</a> a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE:Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.** 

The Seattle-Tacoma-Bremerton, WA. metropolitan area covered in this release is comprised of Island, King, Kitsap, Pierce, Snohomish, and Thurston Counties in the State of Washington.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Seattle-Tacoma-Bremerton, WA (1982-84=100 unless otherwise noted)

		Indexes		Percent change from-			
Item and Group	Dec. 2015	Jan. 2016	Feb. 2016	Feb. 2015	Dec. 2015	Jan. 2016	
Expenditure category							
All items	250.385	-	250.942	2.2	0.2	-	
All items (1967=100)	763.271	-	764.970	-	-	-	
Food and beverages	259.884	-	258.926	1.0	-0.4	-	
Food	263.023	-	261.599	0.8	-0.5		
Food at home	251.049	250.082	247.632	-0.9	-1.4	-1.0	
Food away from home	282.010	-	283.488	2.9	0.5		
Alcoholic beverages	223.149	-	226.936	3.9	1.7		
Housing	277.823	-	280.677	4.6	1.0		
Shelter	312.557	313.364	315.890	5.6	1.1	3.0	
Rent of primary residence (1)	317.693	319.199	321.916	5.5	1.3	0.9	
Owners' equiv. rent of residences (1) (2)	328.591	330.029	332.575	5.8	1.2	3.0	
Owners' equiv. rent of primary residence (1) (2)	328.591	330.029	332.575	5.8	1.2	3.0	
Fuels and utilities	250.085	-	253.974	3.1	1.6		
Household energy	228.629	231.083	231.157	3.3	1.1	0.0	
Energy services (1)	272.337	275.363	275.363	4.0	1.1	0.0	
Electricity <sup>(1)</sup>	294.310	298.345	298.345	7.7	1.4	0.0	
Utility (piped) gas service (1)	161.527	161.479	161.479	-13.2	0.0	0.0	
Household furnishings and operations	173.190	_	173.551	-2.7	0.2		
Apparel	128.155	_	127.786	1.0	-0.3		
Transportation	206.607	_	201.733	-0.3	-2.4		
Private transportation	212.557	_	206.955	-1.0	-2.6		
Motor fuel	265.548	262.615	228.170	-9.7	-14.1	-13.1	
Gasoline (all types).	270.886	268.108	232.686	-9.5	-14.1	-13.2	
Gasoline, unleaded regular <sup>(3)</sup>	294.503	291.025	252.006	-10.1	-14.4	-13.4	
Gasoline, unleaded ridgrade (3) (4)	210.991	210.339	183.249	-9.1	-13.1	-12.9	
Gasoline, unleaded premium (3)	247.153	246.482	216.537	-6.1	-12.4	-12.1	
Medical care	386.358	240.402	393.678	1.6	1.9	-12.1	
Recreation (5)	95.739	[]	96.472	-0.9	0.8		
Education and communication (5)	140.033	_	140.701	0.8	0.5		
Other goods and services	393.008	-	389.731	-1.3	-0.8		
Commodity and service group							
All items.	250.385	_	250.942	2.2	0.2		
Commodities	186.760	-	184.552	-1.2	-1.2		
		-	148.140	I	-1.8	•	
Commodities less food & beverages	150.817	-		-2.9	I	•	
Nondurables less food & beverages	176.586	-	169.723	-3.7	-3.9		
DurablesServices	124.290 309.593	-	125.343 312.767	-2.1 4.2	0.8 1.0		
Special aggregate indexes							
All items less medical care	244.237		244.477	2.3	0.1		
All items less shelter.	244.237	-	226.230	0.4	-0.2		
Commodities less food	153.878	-	151.430	-2.5	-0.2 -1.6		
Nondurables		-	I	I	I		
	216.465	-	212.378	-1.0	-1.9	,	
Nondurables less food	180.512	-	174.426	-3.0	-3.4		
	313.602	-	316.634	2.4	1.0		
Services less medical care services	301.352	-	304.030	4.4	0.9		
Energy	253.356	253.298	236.797	-3.1	-6.5	-6	

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Seattle-Tacoma-Bremerton, WA (1982-84=100 unless otherwise noted) - Continued

		Indexes		Percent change from-			
Item and Group	Dec. 2015	Jan. 2016	Feb. 2016	Feb. 2015	Dec. 2015	Jan. 2016	
All items less energy			254.565 253.614		0.6 0.8	-	

<sup>(1)</sup> This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

NOTE: Index applies to a month as a whole, not to any specific date.

<sup>(2)</sup> Index is on a November 1982=100 base.

<sup>(3)</sup> Special index based on a substantially smaller sample.

<sup>(4)</sup> Indexes on a December 1993=100 base.

<sup>(5)</sup> Indexes on a December 1997=100 base.

<sup>-</sup> Data not available